

Town of Amherst Affordable Housing Plan

The *Town of Amherst Affordable Housing Plan* was released in December of 2003. The plan, which updated the 1992 *Town of Amherst Fair Housing Plan*, was intended to provide a basis for actions to implement the Town's Housing Policy. The plan included the most recent housing-related available data; discussed housing needs and priorities. The plan concluded with a statement of goals and strategies for pursuing Amherst's housing policies, including approaches to increase the supply of affordable housing, promote access to housing, and educate the public and enforce housing laws and protections.

7. PLACE: Housing

OVERVIEW

This document presents a summary of household and housing characteristics for the Town of Amherst. These characteristics provide an overview of the Town's housing trends as well as indication of its physical form with regards to residential development. Following this overview section, the document is organized as follows:

- **Key Findings** – The key findings represent a summary of important conclusions drawn by the consulting team based on research and discussions with the CPC and Town Staff.
- **Detailed Information** – This section includes the background documentation for the key findings. It describes Amherst's households, housing stock, affordability, and projected future housing needs.

The primary sources of information used to prepare this analysis include the 2000 US Census of Population, the *Town of Amherst Databook*, and the *Town of Amherst Affordable Housing Plan*. It is important to note most data are for the year 2000. The current 2007 conditions in the Town may or may not vary significantly depending on the trends in the community, but there is no readily available data source to determine any significant changes since 2000.

KEY FINDINGS

1. Household population in the Town is strongly related to the presence of higher education institutions. A large portion (35 percent) of the Town's population lives in group quarters.
2. Thirty-nine percent of the Town's population lives in family households.
3. Amherst has a relatively new housing stock with more than half of its residential units constructed less than 30 years ago.
4. Despite a decline in population (-1% from 35,228 to 34,874) the number of households and housing units increased by 8 percent and 7 percent, respectively.
5. Amherst's total number of housing units increased nearly 7 percent between 1990 and 2000. The slight majority of units (50.3 percent) were in multifamily structures, but single-family units grew at a faster pace (13.5 percent).
6. The annual production of new housing units in Amherst has varied since 1980 from a low of 36 to a high of 216 units per year, but has consistently included a significant portion of multifamily units.
7. Since the year 2000, 90 percent of all new residential building permits have been issued for single family dwellings.
8. Amherst has experienced great movement in housing; only 32 percent of the population aged 5 years and over lived in the same house in 2000 that they occupied in 1995.
9. The Town has more renter-occupied (59 percent) than owner-occupied housing units (41 percent), the opposite of the county, state, and nation.
10. A significant percentage of Hampshire County's residential units (16 percent), including over a quarter of its rental units, are in Amherst but there has been limited increase in rental units in Amherst.
11. There are a relatively limited number of rental opportunities for families needing more than two bedrooms.
12. Housing in Amherst – both homes and rental units – was more expensive than the county, costing approximately nine percent more for rentals and 24 percent more for homes.
13. Eighteen percent of homeowner households and 53 percent of renting households were financially stressed by housing costs.
14. Amherst has a very low vacancy rate for both owner-occupied (0.4 percent) and rental housing (1.7 percent).
15. Based on the medium population projection for the year 2020, the Town will likely need approximately 500 additional housing units.

DETAILED INFORMATION

The following section includes more detailed explanations and supporting data for the Key Findings listed above.

Household population in the Town is strongly related to the presence of higher education institutions. A large portion (35 percent) of the Town's population lives in group quarters.

In 2000, there were approximately 9,170 households in the Town. Sixty-four percent of the total population was in households. Thirty-five percent (12,293) were people living in group quarters, i.e. students. This differs greatly from the household/group quarters split for other localities. In the county, 88 percent were in households versus 12 percent in group quarters, the split was 96.5 versus 3.5 percent for the state, and 97.2 to 2.8 percent for the nation. Clearly, the presence of UMass and the two colleges has a profound impact on these figures.

Thirty-nine percent of the Town's population lives in family households.

The 9,174 households in the Town were split almost equally between family households (4,457) and non-family households (4,627). The 4,547 families in the Town accounted for 13,518 residents; only 39 percent of the Town's population was in families. Seventy-three percent of family households were married couples with children. The average family size was 2.97.

Twenty-four percent of the Town population was in non-family households. Of the non-family households, 57 percent live alone and 43 percent do not live alone.

Amherst has a relatively new housing stock with more than half of its residential units constructed less than 30 years ago.

Just under 50 percent (49.7) of Amherst's residential units were constructed more than 30 years ago (based on year 2000 figures), which raises questions as to whether there is a pattern of deteriorating structures in the Town. (See Figure 1.)

Figure 1: Age of Housing by Number of Units, 2000

	Number	Percent
1939 or earlier	1,777	18.9
1940 - 1959	1,107	11.7
1960 - 1969	1,797	19.1
1970 - 1979	2,468	26.2
1980 - 1989	1,428	15.1
1990 – March 2000	849	9.0

Source: Town of Amherst Databook, December 2002

Despite a decline in population (-1% from 35,228 to 34,874) the number of households and housing units increased by 8 percent and 7 percent, respectively.

The number of households has been steadily increasing over time. This was generally due to the decrease in household size, as evidenced by the fact that the number of households increased by 697 between 1990 and 2000 from 8,477 to 9,174, even as population declined by 354 residents. The average household size was 2.45. The decline in household size has been a national trend. The increase in housing units has also outpaced population growth increasing by nearly 7 percent.

Figure 2: Percentage Change in Units in Housing Structure, 1990-2000

	Percent
Single family	10.7%
Multi-family	7.3%
2 units	12.6%
3 or 4 units	13.5%
5 or more units	4.5%
Total change	6.9%

Source: Town of Amherst Databook, December 2002

Amherst's total number of housing units increased nearly 7 percent between 1990 and 2000. The slight majority of units (50.3 percent) were in multifamily structures, but single-family units grew at a faster pace (13.5 percent).

The total number of housing units in Amherst increased 6.9 percent between 1990 and 2000. (See Figures 2 and 3.) Detached single-family units account for 44 percent of total housing units while multifamily units accounts for 50 percent. Each increased by 13.5 and 7.3 percent, respectively between 1990 and 2000. The number of attached single-family units fell 7.3 percent between 1990 and 2000 and comprised only 5.7 percent of the Town's total housing units in 2000.

Figure 3: Annual Production of Housing Units by Type of Unit (Single-Family or Multi-Family), 1981-2000

Year	'81	'82	'83	'84	'85	'86	'87	'88	'89	'90	'91	'92	'93	'94	'95	'96	'97	'98	'99	'00
Total Units	70	47	69	98	216	199	155	78	212	130	40	41	110	51	63	52	118	36	38	52
Single-Family	40	25	59	73	112	118	56	55	53	25	24	36	51	44	38	39	32	24	29	37
Multi-Family	30	22	10	25	104	81	99	23	159	105	16	5	59	7	25	13	86	12	9	15

Source: Town of Amherst Affordable Housing Plan

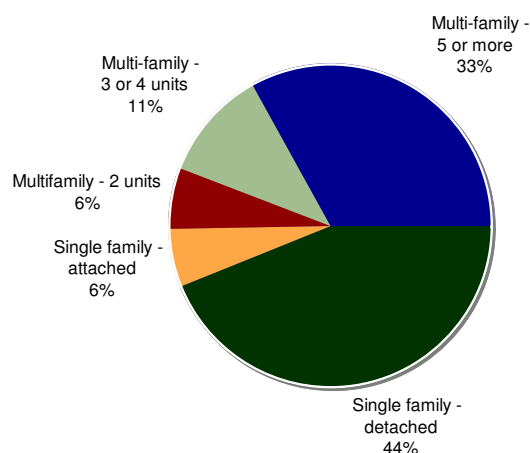
The annual production of new housing units in Amherst has varied since 1980 from a low of 36 to a high of 216 units per year, but has consistently included a significant portion of multifamily units.

The annual production of housing units in Amherst since 1980 has fluctuated, varying from a low of 36 new units in 1998 to a high of 216 in 1985. Multifamily units have consistently comprised a significant number of the new housing units produced in Amherst each year since 1980. (See Figures 4A and 4B.)

FIGURE 4A: UNITS IN HOUSING STRUCTURE, 2000**Figure 4B: Units in Housing Structure, 2000**

	Number	Percent
Single family	4,683	49.7
Detached	4,148	44.0
Attached	535	5.7
Multifamily	4,739	50.3
2 units	579	6.1
3 or 4 units	1,052	11.2
5 or more	3,108	32.9
Other	4	0.0
Total Units	9,426	100.0

Source: Town of Amherst Databook,



Source: Town of Amherst Databook, December 2002

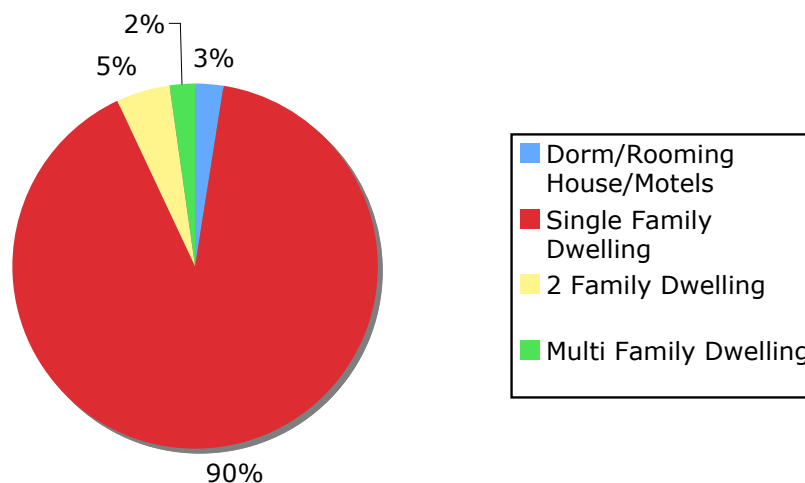
Since the year 2000, 90 percent of all new residential building permits have been issued for single family dwellings.

Figure 5A shows that 235 residential building permits that were issued in Amherst between 2000 and 2006 for new construction. As shown in Figure 5B on the next page, single family dwellings accounted for 90 percent of new residential construction in Amherst during that time period. In addition to new residential construction, 29 permits were issued for residential conversions during the period from 2000-2006. The majority of conversion permits (59%) were for two-family dwellings.

Figure 5A: Residential Building Permits for New Construction, 2000-2006

Residential Type	Permits Issued (2000-2006)	Average/Year
Dorm/Rooming House/Motels	6	0.86
Single Family Dwelling	213	30.43
2 Family Dwelling	11	1.57
Multi Family Dwelling	5	0.71
Total	235	33.57

Source: Town of Amherst

FIGURE 5B: RESIDENTIAL BUILDING PERMITS ISSUED, 2000-2006

Source: Town of Amherst

Amherst has experienced great movement in housing; only 32 percent of the population aged 5 years and over lived in the same house in 2000 that they occupied in 1995.

There was a great amount of movement in housing in Amherst. In 2000, only 32 percent of the population aged 5 years and over lived in the same house they occupied in 1995. Of the 61 percent who lived in different residence in 1995, 83 percent lived in a different county, just over half of those from within Massachusetts and just under half from other states. Again, these figures are greatly impacted by the presence of UMass and the colleges.

The Town has more renter-occupied (59 percent) than owner-occupied housing units (41 percent), the opposite of the county, state, and nation.

The Town has more renter-occupied (59%) than owner-occupied housing units (41%), the opposite trend of the county, state, and nation. Sixty-four percent (22,451) of the population lived in households versus group quarters. The number of household residents in owner-occupied and renter-occupied units was nearly equal at 48 percent and 52 percent respectively. In the case of the county the split was 65 percent in owner-occupied and 35 percent in renter-occupied, for the state it was 62 percent versus 38 percent, and the nation was 66 percent versus 34 percent. Again, this is likely due to the presence of higher education institutions.

A significant percentage of Hampshire County's residential units (16 percent), including over a quarter of its rental units, are in Amherst but there has been limited increase in rental units in Amherst.

Amherst accounts for 16.1 percent of Hampshire County's housing units, including a 25.7 percent share of rental units in the county. However, vacancy rates in Amherst for both rental and home ownership opportunities have remained consistently low. The Town's rental vacancy rate in 2000 was 1.7 percent, while the homeowner vacancy rate stood at only 0.4 percent. Amherst has added only two additional rental units since 1990, despite increases in the number of multifamily units. The apparent discrepancy is explained by increased demand for owner-occupied condominium attached units.

There are a relatively limited number of rental opportunities for families needing more than two bedrooms.

Only 24 percent of Amherst's renter-occupied units have three or more bedrooms. Thus families have relatively limited access to rental units. This situation is exacerbated by the fact that family households are in competition with student households for the limited supply of family-sized units. The high rents for units of all types that contain more than two bedrooms reflect this tight market.

Housing in Amherst – both homes and rental units – was more expensive than the county, costing approximately nine percent more for rentals and 24 percent more for homes.

In 2000 the Town accounted for 16 percent of the county's housing units. The median home value in 2000 was \$177,000 in Amherst, while the county was \$142,400, indicating that homes in Amherst cost approximately 24 percent more than the county. Thirty-two percent of homes in the Town were valued at \$150-199,000. (See Figure 6.)

The median rent in Amherst was \$687 and the county was \$631. Rent in Amherst was only 8.9 percent more than the county. (See Figures 7 and 8.)

Each year the UMass Commuter Services and Housing Resource Center surveys off-campus rental housing rates in Amherst and in surrounding municipalities. Amherst rents were consistently higher than those for comparable units in surrounding towns and Northampton in almost all categories of units during the academic years 2000-2001, 2001-2002, and 2002-2003. The survey also documents that Amherst rents in all categories are rising.

Figure 6: House Value by Number of Owner-Occupied Units, 2000

Housing Value	Number	Percent
Less than \$50,000	16	0.5
\$50,000 – 99,999	117	3.3
\$100,000 – 149,999	991	28.0
\$150,000 – 199,999	1,122	31.7
\$200,000 – 299,999	857	24.2
\$300,000 – \$499,999	390	11.0
\$500,000 – 999,999	47	1.3
\$1,000,000 or more	-	-
Total Units	3,540	100.0

Source: Town of Amherst Databook, December 2002

Figure 7: Contract Rent by Number of Renter-Occupied Units, 2000

Contract Rent	Number	Percent
Less than \$200	258	5.2
\$200 – 299	131	2.6
\$300 – 499	502	10.0
\$500 – 749	1,878	37.6
\$750 – 999	1,104	22.1
\$1000 – 1499	718	14.4
\$1500 or more	224	4.5
No cash rent	184	3.7
Total Units	4,999	100.0

Source: Town of Amherst Databook, December 2002

Figure 8: Median Home Values and Monthly Rent, Amherst and Hampshire County, 2000

Location	Median Home Value	Median Monthly Rent
Amherst	\$177,000	\$687
County	\$142,400	\$631

Source: Town of Amherst Affordable Housing Plan

Eighteen percent of homeowner households and 53 percent of renting households were financially stressed by housing costs.

The rule among mortgage bankers and public agencies is that a household should pay no greater than 30 percent of its monthly income on housing costs. For a homeowner, costs include mortgage (if any), certain insurance, property taxes, and utilities. For a renter, costs include rent and utilities. When a household pays more than 30 percent of its monthly income on housing expenses, other basic needs such as food, medicine, clothes, transportation, and education may be underfunded.

According to US Census data, in 1999 18 percent of Amherst homeowner households paid more than 30 percent of their monthly income on housing costs, and 7.1 percent of those households paid over 50 percent. Over 53 percent of Amherst renting households paid more than 30 percent of

their monthly income on gross rent and 29.6 percent of these paid over 50 percent. These figures are likely exaggerated by the presence of so many households comprised of students in the Town. However, even when discounting rental householders aged under 25, approximately 1,000 rental households are under stress due to the cost of housing.

Amherst has a very low vacancy rate for both owner-occupied (0.4 percent) and rental housing (1.7 percent).

In 2000, the rental vacancy rate was 1.7 and the owner-occupied vacancy rate was 0.4. The vacancy rate for the county for rental and owner-occupied combined was substantially lower at 4.5. Exceptionally low vacancy rates can increase the cost of buying or renting housing. (See Figure 9.)

Figure 9: Tenure and Vacancy in Amherst (2000)

	Number	Percent
Occupied housing units	9,174	97.3
Owner-occupied	4,131	45.0
Renter-occupied	5,043	55.0
Vacant housing units	253	2.7
For seasonal, recreational use	62	0.7
Total housing units	9,427	100.0
Rental vacancy rate		1.7
Homeowner vacancy rate		0.4

Source: Town of Amherst Databook, December 2002

Based on the medium population projection for the year 2020, the Town will likely need approximately 500 additional housing units.

The Massachusetts Institute for Policy and Research (MISER) at the University of Massachusetts generated three population projections for the Town. According to these projections, the population of Amherst could increase by 5,146 or decrease by nearly 1,000 residents by the year 2020. The medium estimate is just 1,966 new residents. A simple estimate of housing units needed to accommodate the projected increase in population can be calculated by assuming that the increased in population will maintain the same characteristics as the 2000 Census (35.6% living in group quarters, 64.4% household population; average household size 2.45). Therefore, if the population increases by 1,966 new residents, 700 will live in group quarters, and 1,266 will live in households. These 1,266 residents will require 517 additional housing units.